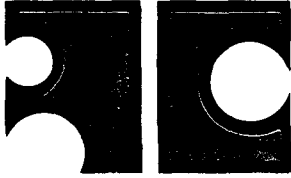


the first citizens state bank



RECORDATION NO. 14274 Filed 1425

FEB 9 1984 - 5 00 PM

February 6, 1984

INTERSTATE COMMERCE COMMISSION

Miss Mildred Lee
Room 2303
Interstate Commerce Commission
12th Constitutional Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 14274 Filed 1425

FEB 9 1984 - 5 00 PM

INTERSTATE COMMERCE COMMISSION

Attn: Miss Davis

Re: Southeastern Wisconsin Transportation Corporation, d/b/a Central
Wisconsin Railroad Company, John A. Zerbel, President, David C.
Williams, Secretary

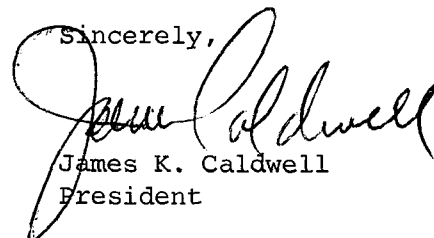
Dear Miss Lee:

Would you kindly record our lien interest in the in the various equipment as indicated on the enclosed Chattel Security Agreement dated February 4, 1983, and also the enclosed General Business Security Agreement dated February 2, 1983. You will note that these documents have been notarized as true and correct copies and I have also enclosed a copy of the same for your records.

Would you kindly record the same and return a copy to me at your earliest convenience. I have enclosed our check in the amount of \$100.00 to cover the cost of the recording fee.

If you have any questions in regard to this matter, please feel free to contact me.

Sincerely,


James K. Caldwell
President

JKC:slm

Enclosures



SINCE 1863 414 / 473-2112
CORNER OF SECOND AND MAIN / WHITEWATER, WISCONSIN 53190

WHITEWATER LAKE BRANCH

Corner of County Trunk P and Kettle Moraine Drive

1. SECURITY INTEREST

The undersigned ("Debtor", whether one or more) grants THE FIRST CITIZENS STATE BANK OF WHITEWATER ("Bank") a security interest in all Debtor's equipment, fixtures, inventory (including all goods held for sale, lease or demonstration or to be furnished under contracts of service, goods leased to others, trade-ins and repossessions, raw materials, work in process and materials or supplies used or consumed in Debtor's business), documents relating to inventory, general intangibles, accounts, contract rights, chattel paper and instruments, whether now owned or hereafter acquired, and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, all returned or repossessed goods the sale of which gave rise to, and all proceeds and products of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities of any Debtor to Bank arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Bank to any Debtor, to any Debtor and another, or to another guaranteed or indorsed by any Debtor ("Obligations").

2. DEBTOR'S WARRANTIES

Debtor warrants that while any of the Obligations are unpaid:

(a) **OWNERSHIP.** Debtor is the owner of the Collateral free of all encumbrances and security interests (except Bank's security interest), and chattel paper constituting Collateral evidences a perfected security interest in the goods covered by it, free from all other encumbrances and security interests, and no financing statement (other than Bank's) is on file covering the Collateral or any of it. If inventory is represented or covered by documents of title, Debtor is the owner of the documents, free of all encumbrances and security interests other than Bank's security interest.

(b) **SALE OF GOODS OR SERVICES RENDERED.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) **ENFORCEABILITY.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Bank as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed his liability.

(d) **DUE DATE.** There has been no default as of this date according to the terms of any Collateral and no step has been taken to foreclose the security interest if evidences or otherwise enforce its payment.

(e) **FINANCIAL CONDITION OF ACCOUNT DEBTOR.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor.

(f) **VALID INCORPORATION.** If a corporation, Debtor is duly organized, validly existing and in good standing under the laws of the state of incorporation and if a foreign corporation is licensed to do business in Wisconsin.

(g) **OTHER AGREEMENTS.** Debtor is not in default under any agreement for the payment of money.

(h) **AUTHORITY TO CONTRACT.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's Articles of Incorporation, By-Laws or any agreement or restriction to which Debtor is a party or is subject.

(i) **ACCURACY OF INFORMATION.** All information, certificates or statements given to Bank pursuant to this Agreement shall be true and complete when given.

(j) **ADDRESSES.** The address of Debtor's residence, or if a corporation or partnership, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of the Debtor's chief executive office, is shown opposite Debtor's signature. The address where the Collateral will be kept if different from that appearing opposite Debtor's signature, is (SEE RIDER ATTACHED)

Such locations shall not be changed without prior RECORDATION TO: 142741 FILED 1925

FEB 9 1984 - 5 00 PM

INTERSTATE COMMERCE COMMISSION

All rail, ties and accesories located on the railsiding at the University of Wisconsin - Madison, Heating Plant located at the intersection of Spring and North Charter Street. It consists of the installation of a #6 and #5 switch thru the crossing of North Charter and Spring Street intersection with total trackage of approximately 340 feet tying into the existing University of Wisconsin - Madison Heating Plant coal spur.

THIS IS A PURCHASE MONEY SECURITY INTEREST.

3. SALE AND COLLECTIONS

(a) **SALE OF INVENTORY.** So long as no default exists under any of the Obligations of this Agreement, Debtor may: (a) sell inventory in the ordinary course of Debtor's business for cash or on terms approved by Bank, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) with the prior written consent of Bank, lease inventory on terms approved by Bank.

(b) **VERIFICATION AND NOTIFICATION.** Bank may verify Collateral in any manner, and Debtor shall assist Bank in so doing. Upon default Bank may at any time and Debtor shall, upon request of Bank, notify the account debtors to make payment directly to Bank and Bank may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors. Until account debtors are so notified, Debtor, as agent of Bank, shall make collections from Collateral. Bank may at any time notify the bailee of any Collateral of Bank's security interest.

(c) **DEPOSIT WITH BANK.** At any time Bank may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Bank, shall not be commingled with any other funds or property of Debtor and shall be turned over to Bank in precisely the form received (but not reduced by Debtor if necessary for collection) not later than the business day following the day of their receipt. All proceeds of Collateral received by Bank from Debtor shall be applied against the Obligations in such order and at such times as Bank shall determine.

4. DEBTOR'S COVENANTS

(a) **MAINTENANCE OF COLLATERAL.** Debtor shall maintain the Collateral in good condition and repair and not permit the value to be impaired by fire, theft or all other causes, encumbrances and security interest (other than Bank's security interest); defend it against all claims and legal proceedings by persons other than Bank; pay and discharge when due all taxes, license fees, levies and other charges upon it, not sell, lease or otherwise dispose of it or permit it to be disposed of or an accession to other goods, except for sale or lease of inventory as provided in this Agreement, nor permit it to be used in violation of any law, regulation or policy of insurance; and, as to Collateral consisting of instruments and chattel paper, preserve rights in and against prior parties to such Collateral and shall not release Debtor from any of the Obligations.

(b) **INSURANCE.** Debtor shall keep the Collateral and Bank's interest in it insured under policies with such provisions, for such amounts and by such persons as shall be satisfactory to Bank from time to time, and shall furnish evidence of such insurance satisfactory to Bank. Debtor assigns and directs any proceeds of such insurance and any other proceeds and authorizes Bank to endorse in the name of Debtor or in any name or for the benefit of the Collateral, returning any excess to Debtor. Bank is authorized in the name of Debtor or otherwise, to make, adjust and be a title claimant in any insurance furnished by Bank or in insurance on the Collateral or cancel the same after the occurrence of an event of default.

(c) **MAINTENANCE OF SECURITY INTEREST.** Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by Bank to protect the Collateral or to establish, determine priority of, perfect, a security interest, terminate and or enforce Bank's interest in it or right under it.

(d) **COLLATERAL RECORDS AND STATEMENTS.** Debtor shall keep accurate and complete records of the Collateral in such form as Bank may require. At such times as Bank may require, Debtor shall furnish to Bank a statement, certified by Debtor, and in such form and containing such information as may be prescribed by Bank, showing the current status and use of the Collateral.

(e) **INSPECTION OF COLLATERAL.** At reasonable times Bank may examine the Collateral in Debtor's possession, custody or control, and may require Debtor to assist Bank in so doing.

(f) **SERVICE CHARGE.** In addition to the scheduled payments under the Obligations and the Agreement, Debtor shall pay, when due, a service charge on the Obligations and on the amount of the Agreement.

(g) **CHATTLE PAPER.** Chattel paper constituting Collateral shall be subject to the terms approved by Bank. Debtor shall not assign, lease, convey, or otherwise dispose of such chattel paper without the prior written consent of Bank, and shall not permit anyone to do so.

(h) **UNITED STATES CONTRACTS.** If any account or contract constituting Collateral arises out of a contract subject to the Uniform Commercial Code, the parties agree that the law of the United States shall apply to such contract, and that the contract shall be governed by the law of the United States.

(i) **MODIFICATIONS.** Without the prior written consent of Bank, Debtor shall not alter, modify, extend, or otherwise change any Collateral.

(j) **RETURNS AND REPOSSESSIONS.** If Bank shall demand the return of the Collateral to or from any person, Debtor shall deliver the Collateral to Bank directly.

5. RIGHTS OF BANK

(a) **AUTHORITY TO PERFORM FOR DEBTOR.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Bank is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Bank at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) **CHARGING DEBTOR'S CREDIT BALANCE.** Debtor grants Bank, as further security for the Obligations, a security interest and lien in any credit balance and other money now or hereafter owed Debtor by Bank or any agency of Bank and, in addition, agrees that Bank may, at any time after the occurrence of any event of default, without prior notice or demand, setoff against any such credit balance or other money any amount owing upon the Obligations.

(c) **POWER OF ATTORNEY.** Debtor irrevocably appoints a vice officer of Bank as Debtor's attorney, with power to receive, open and dispose of all mail addressed to Debtor; to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Bank may direct; and to endorse the name of Debtor upon any instruments which may come into Bank's possession. Debtor agrees that Obligations may be created by drafts drawn on Bank by shippers of inventory named in section 9. Debtor authorizes Bank to honor any such draft when accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor. Debtor appoints any employee of Bank as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Bank. Such instruments may be payable at fixed times or on demand, and shall bear interest at the rate from time to time fixed by Bank and Debtor agrees, upon request of Bank, to execute any such instruments. This power of attorney may be revoked by Debtor only by written notice to Bank and no such revocation shall affect any instruments executed prior to the receipt by Bank of such notice. All acts of such attorney are ratified and approved and he is not liable for any act or omission on the part of or judgment or mistake of fact or law.

(d) **NON-LIABILITY OF BANK.** Bank has no duty to determine the validity of any invoice, the authority of any shipper named in section 9 to ship goods to Debtor or compliance with any order of Debtor. Bank has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against other parties. Debtor releases Bank from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Bank's willful misconduct.

6. DEFAULT

Upon the occurrence of one or more of the following events of default,

Nonperformance. Debtor fails to pay when due any of the Obligations or to perform, or rectify breach of, any warranty or other undertaking by Debtor in this Agreement or in any evidence of or document relating to the Obligations;

Inability to Perform. Debtor or a surety for any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings;

Misrepresentation. Any representation made to induce Bank to extend credit to Debtor, under this Agreement or otherwise, is false in any material respect when made; or

Insecurity. Any other event which causes Bank in good faith to deem itself insecure;

the Obligations shall, at the option of Bank and without any notice or demand, become immediately payable; and Bank shall have all rights and remedies as if provided by the Wisconsin Uniform Commercial Code, as well as any other applicable law and any evidence of or document relating to the Obligations. With respect to such rights and remedies,

(a) **REPOSSESSION.** Bank may take possession of Collateral without notice or hearing, which Debtor waives.

(b) **ASSEMBLING COLLATERAL.** Bank may require Debtor to assemble the Collateral and to make it available to Bank at any convenient place designated by Bank.

(c) **NOTICE OF DISPOSITION.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (or the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(d) **EXPENSES AND APPLICATION OF PROCEEDS.** Debtor shall reimburse Bank for any expense incurred by Bank in protecting or enforcing its rights under this Agreement including, without limitation, reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition and disposing of the Collateral. After deduction of such expenses, Bank may apply the proceeds of disposition to the Obligations in such order as Bank may elect.

(e) **WAIVER.** Bank may permit Debtor to remedy any default without waiving the default so remedied, and Bank may waive any default without waiving or releasing subsequent or prior default by Debtor.

7. PERSONS BOUND

The obligations hereunder of all Debtors are joint and several. This Agreement benefits Bank, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns.

8. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

9. SHIPPERS

Shippers authorized to draw drafts on Bank are:

10. OTHER PROVISIONS

As part of the consideration for this agreement, secured party will lend to debtor at any time upon his request one dollar (\$1.00) and such other amounts as secured party in his sole discretion agrees to lend, upon such terms and conditions as may then be agreed upon by the parties using the collateral as security.

Signed and Sealed on February 2, 19 83

SOUTHEASTERN WISCONSIN TRANSPORTATION CORPORATION

BY:

John A. Zerbel

DEBTOR

(SEAL)

John A. Zerbel, President

ATTEST:

David C. Williams

DEBTOR

(SEAL)

David C. Williams, Secretary

Address: **4040 North Calhoun Road**
SEE SECTION 2(j)
Brookfield, WI 53005
Waukesha

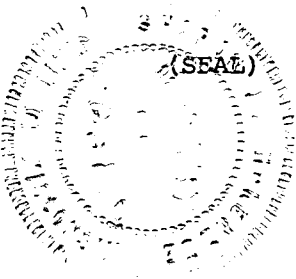
Print name signed above.

STATE OF WISCONSIN)

) ss.

COUNTY OF WALWORTH)

Personally came before me this 2nd day of February, 1983, John A. Zerbel, President, and David C. Williams, Secretary of Southeastern Wisconsin Transportation Corporation, d/b/a Central Wisconsin Railroad Company, to me known to be the persons who executed the foregoing instrument and acknowledged that they executed the foregoing instrument as such officers as the deed of said corporation, by its authority.



Sharon L. McKenzie

Sharon L. McKenzie, Notary Public
Walworth County, Wisconsin
My commission expires 11-1-87.

STATE OF WISCONSIN)

) ss.

COUNTY OF WALWORTH)

I hereby certify that the attached document is a true and correct copy of the General Business Security Agreement dated February 2, 1983 by Southeastern Wisconsin Transportation Corporation, by John A. Zerbel, President, and David C. Williams, Secretary, to the First Citizens State Bank of Whitewater, Wisconsin.

Sharon L. McKenzie, Personal Banker
First Citizens State Bank of Whitewater

Subscribed and sworn to before
me this 6th day of February, 1984.

Mary E. Kaster, Notary Public
Walworth County, Wisconsin
My commission expires 4-22-84.